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SUBJECT: ANTI-CORRUPTION BOSS JAILED ON TRUMPED-UP CHARGES

Summary. After a three-year investigation and a pre-trial detention of twenty months, a Vladivostok court on June 22 convicted former Far Eastern Customs Directorate Chief General Ernest Bakhshetsyan on charges of abuse of office and sentenced him to five years in prison. Bakhshetsyan served as Chief of the Far Eastern Customs Service Directorate from 2004 to 2007 and was tasked with strengthening his office's fight against smuggling and corruption and to increase tariff revenues. Most observers believe that the charges were spurious and pushed by local businessmen who were threatened by Bakhshetsyan's genuine crackdown on smuggling. Bakhshetsyan's attorney said after the conviction that he will file an appeal to a higher court in Russia and the European Court of Human Rights in Strasbourg following that.

#### Pressure From the Inside

His fight against corruption pitted his office against an organized group of smugglers that controls a significant portion of goods entering Russia from China and reportedly included former Primorye Duma Deputy Vladimir Khmel, current Deputy Gennadiy Lysak and his son-in-law, and former Federation Council Senator for Primorye Igor Ivanov. The task was made more difficult by the fact that many of his own subordinates were also involved in smuggling. His efforts posed a serious challenge to those local officials and businessmen who had managed to make 'special arrangements' with Customs officials, law enforcement, and politicians for easier importation of goods at reduced tariff rates. According to Bakhshetsyan, former FSB Regional Director Yuriy Aleshin and Primorye Regional Prosecutor Aleksander Anikin tried to pressure him into easing up on the crackdown, but he refused to accept the bribes offered. When the carrot approach proved unsuccessful, smugglers attempted to use their Moscow patrons to have him removed from his position. When that also failed, they accused Bakhshetsyan of illegally allowing three companies to import goods through Nakhodka's customs without inspection or oversight.

#### Problems for Being Effective

Bakhshetsyan proved effective with both of his taskings -- prosecuting corruption and increasing revenues. On his initiative, several high-ranking Russian Far East Customs officials, including the head of Customs in Nakhodka, were relieved of their duties in 2005 and some faced prosecution. The Russian General Prosecutor's Office brought charges against Ivanov and Gennadiy Lysak, who subsequently fled the country and were wanted by Russian law enforcement agencies. Revenues to federal coffers from his Customs Directorate increased during his tenure. By reducing corruption, smuggled goods, and fraudulent customs claims, revenues increased from 48 billion rubles the year before his tenure, to 74.5 billion during his first year and 100.5 billion during his last full year in 2006.

#### Naming Names

At a May press conference in Moscow Bakhshetsyan and former RFE Customs' Analytical Department Chief Oleg Yelisseyev specifically

named those high-ranking officials who played a role in his prosecution. Since his initial arrest, Primorye's FSB Director Yuriy Aleshin was promoted to an executive position with the FSB in Moscow; Primorye Prosecutor Aleksander Anikin was promoted to the General Prosecutor's Office in Moscow; the two men whom Bakhshetsyan's office investigated -- Gennadiy Lysak and Igor Ivanov -- have since returned to Russia and been acquitted of all charges.

Comment. Bakhshetsyan's case was mentioned in the State Department's Human Rights Report in 2007 and 2008. PolOff offered to meet with him during his trial to discuss the case, but Bakhshetsyan decided it would be imprudent for him to meet at that time. Power politics and political maneuvering remain the keys to advancement and survival in the Far East. The rule of law is still weak and champions of civil society, like Bakhshetsyan, are hard pressed to accomplish their missions without an unequivocal message from Moscow that corruption will no longer be the way that business gets done.

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